Mr. A. K. Vengu Ayyar.—A sum of Rs. 25,000 has been lent in Karkadagam 1103 to the Cochin Electric Co., Ltd., in which Dr. V. Verghese is one of the Directors, on the security of the lands, buildings and machineries possessed by the Company.

The connected valuation statement is placed on the Council Table.

Mr. T. A. Ramachandra Ayyar.—Has the Government any share in this Company ?

President.—No.

Mr. T. A. Ramachandra Ayyar.—Any share in the management or any control over it ?

President.—No, no.

Government Officers acting as Directors of Limited Companies.

43. **Mr. T. A. Ramachandra Ayyar.**—(a) Will the Government be pleased to state the reason why Government officers are not allowed to be Directors or promoters of limited companies ;

(b) the names of Heads of Departments, who are Directors or promoters of limited companies in Cochin or Travancore with the names of such companies ?

Mr. A. K. Vengu Ayyar.—(a) Because the whole time of a Government servant is held to be paid for by the State and because such participation may prejudicially affect the discharge of their legitimate duties (vide article 38 C. S. R. & S. O. No.57)

(b).

Names of Heads of Departments	*Names of Companies.*
Mr. V. K. Aravindaksha Menon, Chief Engineer	Cochin Electric Co., Ltd., and the Cochin Tanneries, Ltd., Cochin.
,, K. Krishna Pisharodi, Comptroller of Accounts	The Cochin Tanneries Ltd., Cochin
,, C. Matthai, Director of Public Instruction	Do.
Dr. V. Verghese, Chief Medical and Sanitary Officer	The Tropical Plantations, Ltd., Travancore, and the Cochin Electric Co., Ltd

Mr. T. A. Ramachandra Ayyar.—Mr. V. K. Aravindaksha Menon and Dr. V. Verghese are Directors of the Cochin Electric Company. May I know how they are allowed to be Directors of this company?

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Mr. A. K. Vengu Ayyar.—They are permitted by the Government to be Directors. They obtained Government sanction.

Mr. T. A. Ramachandra Ayyar.—In the Tropical Plantations, Ltd.?

Mr. A. K. Vengu Ayyar.—The Chief Medical and Sanitary Officer was a Director even before he was appointed in this State, and sanction was accorded to him to be a Director.

President.—Is sanction necessary for being a Director in concerns outside the State? Apart from that fact, he applied for permission and he got it. The question is whether any person, any officer of the State, can be a Director of a concern outside the State without the sanction of the Government.

Mr. A. K. Vengu Ayyar.—According to article 32, *C. S. R.*, the whole time of a Government servant is at the disposal of the Government.

President.—Is there anything, any Standing Order, as to that, *i. e.*, a Government servant cannot be a Director of a company outside the State?

Mr. A. K. Vengu Ayyar.—Nothing.

Mr. T. A. Ramachandra Ayyar.—My question is whether he can be a Director of a company outside Cochin State without sanction.

President.—But anyhow, here there is the fact that he was a Director before he was entertained in the service, and after he was entertained, he sought for permission and got it.

Mr. A. K. Vengu Ayyar.—He asked for permission, and the same was given. I am sure, so far as the Tropical Plantations, Ltd., is concerned. But I understand that he has resigned also.

President.—That is another matter.

Mr. A. B. Salem.—I think the State-Aided Bank was started after the Chief Medical Officer was entertained in this State service.

Mr. T. A. Ramachandra Ayyar.—Is he the Director of any company other than the Tropical Plantations, Ltd.?

Mr. A. K. Vengu Ayyar.—I have no information whether he is Director of any company other than the Tropical Plantations.

Mr. T. A. Ramachandra Ayyar.—He is the Director of the State-Aided Bank; that was admitted here.

President.—I think he has got something to do with the bank. I think he has some shares in the bank.

Mr. T. A. Ramachandra Ayyar.—It was stated now that that was started after he was appointed here.

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Mr. A. K. Vengu Ayyar.—I do not think he has asked for permission for that. My information is that he is not a Director of the State-Aided Bank. The thing is he simply attended a few meetings of that bank, and it is only in his capacity as a shareholder and not as a Director.

Mr. A. B. Salem.—I think he is a Director of the State-Aided Bank.

President.—I know he used to attend the meetings of that bank. Unfortunately, he is absent.

Mr. A. B. Salem.—It is in the prospectus, and I am surprised that the Secretary does not know that. Was no inquiry made before this was tabled ?

Mr. A. K. Vengu Ayyar.—From a letter from the Chief Medical and Sanitary Officer, it is seen that he is a Director only of the Tropical Plantations, Ltd. In that it is found that he even thinks of resigning the same by December 1928.

Mr. T. A. Ramachandra Ayyar.—May I know whether Mr. K. Achyuta Menon and Mr. U. Kandar Menon, who were Directors of some companies, were asked to resign ?

President.—My information is it is they who sought permission to resign, and Government gave them permission to do so.

Mental Hospital Building

44. **Mr. T. A. Ramachandra Ayyar.**—Will the Government be pleased to state whether any damage was caused to the new building in the Mental Hospital in 1102 ; if so, the extent of the damage and the loss sustained by Government ?

Mr. A. K. Vengu Ayyar.—No damage was caused to the building in 1102.

Unstamped teak logs at Parakkadvu.

45. **Mr. C. A. Kunjunni Raja.**—Will the Government be pleased to state:—

(a) whether it has been brought to the notice of Mr. T Narayana Menon, Divisional Forest Officer, on his return from a visit to the Villikkamukku coupe in Chingam 1101 that unstamped teak logs were lying at Parakkadvu ;

(b) what was the report submitted by the Tanadar about the unstamped logs referred to in (a) ;

(c) what action was taken by the Divisional Forest Officer in the matter ;

(d) what are the statements recorded in this matter; what was the explanation of the Plantation Ranger ;

(e) how was the matter closed ?

Mr. K. Govinda Menon.—(a) No.

(b), (c), (d) and (e). In view of the reply to (a) no answer is necessary.

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